

## **Historic, Archive Document**

Do not assume content reflects current  
scientific knowledge, policies, or practices.



# Spotlight

## ON FOREIGN MARKETING

Reserve  
A280.39  
F76 &



TO U.S. AGRICULTURAL ATTACHÉS AND FAS STAFF MEMBERS

Volume IX, No. 1

U. S. DEPT. OF AGRICULTURE  
NATIONAL AGRICULTURAL LIBRARY

MAR 11 1966

CURRENT SERIAL RECORDS

February 1966



A scene at the February 3-8 market development administrative workshop in Rome. Sessions are also being held in Tokyo, Cairo, Zurich and Rotterdam.

## FAS-COOPERATOR LUNCHEON

L. O. Tiedt, General Manager, Rice Council for Market Development, was the speaker at the January 21 FAS-Cooperator Luncheon.

The Rice Council overseas program operates through a 15-man advertising and public relations committee and a 9-man operating committee composed of tradespeople familiar with the problems overseas.

"We are a small cooperator," Tiedt said, "Some of you spill more than we sell. But being a small industry, we are better able to control quality ... We are selling an image to housewives overseas, a concept of ways to use American rice. The job is not done when the housewife picks our package off the grocer's shelf. We have to get it off her kitchen shelf and motivate her to use it in new and different ways. The trade is important but the housewives are the key to our program. We are trying to influence them through exhibits, food pages of newspapers and magazines, and other means."

At the conclusion of the speaking session, a new 16-minute color film, "The Story of American Rice" was shown. The Council plans to show the film in the major countries where it has market development programs.

Fifty-five percent of U.S. rice is now going overseas and 60 percent of the exports are dollar sales. Japan is the biggest cash customer for U.S. rice. The countries in which the Rice Council

has major programs are increasing their purchases of American rice. The U. S. now has 94 percent of the South African market, 62 percent of the Swiss market, 50 percent in Germany, 43 percent in Belgium, and 41 percent in the U. K.

## COOPERATOR COMMITTEE EXPANDED

The committee of the market development cooperators has been reorganized and expanded to include the 15 U. S. cooperators with offices in Washington. The chairmanship will be on an annual, rotating basis. Hubert Dyke, U. S. Feed Grains Council, is the 1966 chairman and Raymond Steinbach, Cotton Council International, is vice chairman. The committee replaces an informal five-man committee formed in August, 1964 under the chairmanship of Bill Lodwick, Millers' National Federation, to work with FAS on Title 11 changes.

The new committee will meet with FAS on general problems of mutual interest requiring a consensus among the cooperators. Opinions of cooperators with offices outside of Washington will also be solicited.

## ARTICLES OF INTEREST

"How to Select an Ad Agency Abroad," Charles Crittenden, International Management, Vol. 20, No. 6. The article provides useful background information on foreign advertising agencies and details the points of consideration in selecting an agency to accomplish the goals you have in mind.





Members of the Swiss Wheat Mission at the Washington D.C. office of Great Plains Wheat, Inc. Shown left to right are Andre Bachmann, Heinrich Sollberger, Walter Oberhansli, Emile Meyerhans, Jorg Meyerhans and Albert Eberhard.

### SWISS TEAM VISITS U. S.

A five-member Wheat Mission from Switzerland, sponsored by Great Plains Wheat in cooperation with FAS, was in the U. S. January 16-February 6.

The team spent about 11 days touring the wheat-producing areas of the Great Plains. Cities visited were Fargo and Bismarck, North Dakota; Kansas City and Wichita, Kansas; and Oklahoma City and Enid, Oklahoma. They also had discussions and tours of grain facilities in New York, Washington, D. C., Minneapolis, Houston and New Orleans.

Points visited included a state university, private cereal laboratories, country and cooperative elevators, local grain companies, flour mills, a continuous bakery, grain exchanges, a large wheat farm, portside grain loading and USDA facilities.

Members of the team were Dr. Walter Oberhansli, Director of Government Purchase; Messrs. Heinrich Sollberger, Chief Chemist, Swiss Government Cereal Laboratory; Andre Bachmann, Director, Moulind Rod, S.A.; Emil Meyerhans, Proprietor, Meyerhans and Cie, Weinfelden, and Albert Eberhard, professional agriculturalist with the Office of Agricultural Attache in Bern. Accompanying the team was Jorg Meyerhans, son of Emil Meyerhans. J. C. Raley, GPW Marketing Specialist, traveled with the team throughout their U. S. visit.

### FEED SHOW IN JAPAN

American producers, processors and exporters of feed grains and some of their customers will combine forces March 7-18 for the biggest U. S. Feed Grain Trade Exhibit and Seminar ever conducted in the Far East. The show will be held at the U. S. Trade Center in Tokyo.

Sponsored jointly by FAS and the U. S. Feed Grains Council with assists from the American Soybean Association and the National Renderers Association, the trade show aims to further stimulate the already heavy volume of U. S. feed grains exports to Japan. Sales of feed grains to Japan totaled about 4 million metric tons in calendar 1965, as compared to less than one million tons when the export market development work started in 1960.

Leading Japanese feed grain importers and animal breeders and Japanese Government specialists are being invited to the show. The program includes addressees by outstanding feed experts in U. S. private industry and

government; intensive study and discussion seminars; and exhibits and demonstrations of U. S feed grains animal diet properties - and their results in breeding.

Emphasis in the trade show program will be on poultry breeding and feeding. About 80 percent of the feedgrains imported by Japan are used for this purpose.

Seventeen of the leading U. S exporters, feed additive firms and chick breeders will participate in the seminar and trade exhibit.

#### BANNER WHEAT YEAR FOR U. S. IN JAPAN

The monthly report of Jim Hutchinson, Regional Director, Wheat Associates, Tokyo, lists these activities and accomplishments for the 1965 U. S. wheat program in Japan:

1. Record sales of U. S. wheat to Japan, a total of 1,750,110 tons, giving the U. S. 51 percent of the Japanese wheat market.
2. The opening of new commercial markets for U. S. Hard Red Spring and Durum wheats.
3. Completion of five projects:  
(A) Wheat noodle promotion; (B) American-type sandwich promotion; (C) Malt wheat flour usage study; (D) Cake and pastry promotion; (E) Date and wheat promotion.
4. Five new projects started: (A) Instant Chinese noodle promo-

tion; (B) Research and education at Wheat Flour Institute; (C) Durum macaroni-spaghetti promotion; (D) Japanese cereal chemist to Doty Laboratory; (E) Development of new test mill at Japan Institute of Baking.

5. Four existing programs continued: (A) Special education program at Japan School of Baking; (B) Advanced bakery technology and engineering course; (C) Technical research on quality and usage of U. S wheats; (D) Trade publication "U. S. Wheat".

#### COMBINATION EXPORT MANAGERS

In response to questions from several cooperators and a recent report by the House Committee on Government Operations suggesting that FAS look into giving increased emphasis to the use of "Merchant Exporters" in foreign market development program, we are running the following statement on the functions of these agents in the export trade.

Combination export managers, as they are generally known to the trade, are used mostly for industrial products of companies that are unable to provide complete export services overseas. Raw agricultural commodities have little need for this service, but certain processed agricultural products do lend themselves to this indirect method of export.

As the name implies, several manufacturers share one independent export manager, who has his own office, pays his own staff, and maintains his own overseas marketing set-up. This is economical and advantageous to some



U. S. manufacturers, as they gain immediate access to world markets at reasonable expense.

Compensation is usually by commission, occasionally by salary or fee. A modification is the payment of a flat retainer fee for the initial period when introductory costs may be high and actual sales are small or non-existent. Contracts are usually for two years, since it takes time to develop a satisfactory overseas volume, and are renewable on an annual or two-year basis with a 60 or 90 day cancellation clause.

The export manager becomes the export department of several manufacturers in allied but non-competing industries. He frequently uses the stationery and documents of the manufacturers, signing them as Export Manager. The foreign buyer therefore is under the impression that he is dealing directly with the manufacturer through its export manager.

The primary function of the export manager is to develop overseas trade and to obtain the foreign orders. He will also take care of such functions as: pricing and terms; selecting representatives, distributors, or wholesale customers; handling correspondence, often in foreign languages; preparing documentation; shipping, insuring and collecting foreign orders; arranging advertising; registering trade marks and/or patents; and conducting foreign market studies.

When the export manager assumes the credit and collection risk or buys the goods from the manufacturer for resale abroad, his compensation increases.

The great advantage to the manufacturer is that the use of an export manager gives him the immediate benefit of experienced export personnel for his limited foreign sales, which often does not justify organizing his own export department under a salaried export manager. The manufacturer begins to accumulate a valuable list of foreign customers and gains familiarity with the complexities of international trade under the guidance of experts. It can be a logical step toward a more intense overseas distribution, if sales over the years should justify.

The smaller member firms of some of the cooperators may be interested to know about this vehicle as an aid in their efforts to enter the export trade. A "Directory of Combination Export Managers" is for sale by the Superintendent of Documents, U. S. Government Printing Office, Washington, D.C. The price is 40 cents.

## LEISURE WEAR PROGRAM

Fisher A. Rhymes, Assistant Program Director for Cotton Council International in Brussels, described the operations of the CCI Leisure Wear promotion at a February 3 meeting with Department of Agriculture representatives in Washington.

Casual wear clothing has become big business in Europe, and cotton because of its comfort features has been taking the lead in this development. CCI has been actively promoting casual wear in Europe since 1964. New designs are being created which are offered to leading European manufacturers on an exclusive basis, if cotton is used. The

designs are then promoted by CCI in style shows, trade magazines, and other means. About 80 versions of last year's 30 designs are now in production. In

1964, 17 manufacturers contracted for use of the CCI designs, the number moved up to 34 in 1965 and is expected to increase to 50 in 1966.



## HERE and THERE

The 1966 Maid of Cotton, Miss Nancy Bernard, a blue-eyed blonde and honor student from the University of Texas, has just completed a Canadian Maid of Cotton tour to Toronto, London (Ontario) and Montreal in cooperation with the Canadian Cotton Council. She will be visiting tradespeople and consumers in Milan April 3-4, San Remo April 5-12, and Austria April 13-17.

Fred Schneider, S. E. Asia Director, Wheat Associates, reports that Thailand-Malaysia - Singapore, which had no flour mills a few years ago, now have four flour mills in production and two more under construction.

A special produce display featured the U. S. exhibit at the January 18-27 International Hotel and Catering Exhibition in London. The fresh fruits and vegetables were airshipped by PAA and TWA under newly-reduced air freight rates. Importers and caterers began to place air-freight orders for strawberries and lettuce as soon as the exhibit opened.

Poultry promotions in Switzerland continued to make progress last year. During the first half of 1965, newspapers and magazines with a combined circulation of about 1.4 million used material forwarded to them by the Institute of American Poultry Industries. In addition to the consumer promotion, a separate drive was made in the catering industry. Booklets were sent to restaurants, hotels, pension homes, hospitals and other institutions. Returns requesting prices and further data were received from 130 establishments.

"Amerikaantje" wheat was promoted by COOP Nederland and Great Plains Wheat in a recent fair at Utrecht. Awards were given for the best products in each of four classes of baked goods. The American loaves were rated as the top quality of the products on display. Among those receiving awards were three basic types of wheat bread using 100 percent U. S. wheat.



Eduardo Pena, Head of Laboratory, Special Wheat Program, Ecuadorian Ministry of Agriculture, arrived in the U. S. last month for a 45-day training mission under Great Plains Wheat sponsorship. During his stay, he will tour grain loading facilities, cereal laboratories, a milling school, grain merchandising facilities and a baking association.

Cotton Council International personnel and European Cotton Institute representatives will be meeting at San Remo, April 11-13. Marketing plans will be one of the main subjects under discussion. During this period, San Remo will also be the host for an international fashion show, highlighted with a visit by the Maid of Cotton.

A cotton market research conference of Cotton Council International in Brussels was attended by representatives of 13 countries. Major emphasis was on use of market research as a direct tool for specific promotion activities. Other sessions covered plans for periodic quantitative and qualitative surveys on cotton end-uses, market studies on certain segments of the textile industry, and development of better information on fiber blending.

German oil team visiting the United States. Dr. Friedrich Schraud, President of the German Oil Millers Association, and four other industry members will be arriving in the U. S. this month as guests of the Soybean Council. They will acquaint themselves with the handling and shipping methods and facilities and marketing methods and techniques for U. S. soybeans in the mid-west and at the major ports. The value of U. S. soybeans imported by the German millers in 1964 was nearly \$150 million.

American Soybean Association evaluating Japanese program. Laurel C. Meade, President of the American Soybean Association, and Directors Charles V. Simpson and Harris Barnes, Jr., will leave for Japan February 11 to evaluate the Association's market development program and make recommendations for future programs to help increase U. S. soybean exports to that country. Japan is presently a market for around 50 million bushels of U. S. soybeans valued at over \$125 million.

New Soybean Council employees. James R. Pentis, formerly Vice President for the Borden's Soy Processing Company, is now Deputy Director for the SCA Rome area office, where he will be responsible for developing and implementing market development activities. John W. Dunaway, an experienced international trade specialist, is the Director of the SCA office in Bogota with responsibilities for developing and coordinating market development activities in Colombia, Peru, Ecuador, Venezuela and Chile.

Dairy Society International has announced that American Dairy Association, one of the producer organizations supporting DSI, will match up to a limit of \$25,000 this year the amount of support received from non-producer sources for market development programs. In addition to this, ADA will continue its contribution (with a \$20,000 limit) to certain regional programs expenses.

Frozen poultry was represented at the first frozen food show ever to be held in Japan at the Daimaru department store in Osaka. Two demonstrators conducted daily cooking demonstrations which included instructions on the right way to thaw, and many ways to prepare and cook U. S. chickens parts. An average of 2,000 people visited the Institute of American Poultry Industries' booth daily. Further educational work is planned to take care of this expanding market in Japan.

A French in-store promotion has resulted in the purchase of \$887,000 worth of U. S. foods. Nearly all of the foods purchased were new products to the French grocery store chain.

Vic Pringle, Rockingham Poultry Cooperative, and Lee Campbell, Institute of American Poultry Industries, will be among the speakers at the annual meeting of the Institute at Kansas City, February 11-13.

Great Plains Wheat President Howard Hardy and Ralph Ball, Vice Chairman of the GPW Board and Chairman of the Kansas Wheat Commission, are on a 17-day supervisory-inspection trip in South America. Stops are being made in Quito, Lima, Rio de Janeiro, and Caracas.

Lajpat Rai Kandhari, Program Supervisor in the Wheat Associates New Delhi office, recently completed a five-month training course at the American Institute of Baking in Chicago. The A.I.B. Director of Education writes, "It is unusual for a foreign student to be elected to a class office (vice president) or for any student to exercise his duties as well as did Mr. Kandhari. He was also a very fine student and contributed from his knowledge of the milling industry to overall learning of class 88 in Baking Science and Technology."

A cheese promotion is underway by Dairy Society International in Chile. A four-minute theater commercial is being used, backed up by point-of-sale merchandising and other promotional efforts. One focus planned is to emphasize cheese sandwiches as nutritious quick lunch staples, since the Chilean Government plans to eliminate the traditional three-hour lunch siesta in favor of a one-hour lunch period.